"A Comparative Study on Customer Satisfaction towards Health Insurance in Thane District and Nanded District"

A Synopsis submitted for Ph.D. registration in Commerce

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Introduction

Insurance is the equitable transfer of the risk of a loss, from one entity to another in exchange for payment. It is a form of risk management primarily used to hedge against the risk of a contingent, uncertain loss. Health insurance is insurance against the risk of incurring medical expenses among individuals. Health insurance is defined as "coverage that provides for the payments of benefits as a result of sickness or injury. Includes insurance for losses from accident, medical expense, disability, accidental death and dismemberment".

CONCEPTUAL FRAMEWORK OF INSURANCE INDUSTRY

Insurance may be termed as a social device to reduce or eliminate risks to loss of life and property. Insurance is well-defined as a cooperative device to spread the loss caused by a particular risk over a number of persons who are wide-open to it and who agree to ensure themselves against that risk. The risk cannot be averted but loss occurring due to certain risk can be distributed amongst the agreed persons. They share the loss by payment of premium, which is planned on the probability of loss. Insurance is a system of protection against financial loss in which risk is shifted to a professional risk bearer (an insurance company), in exchange for a certain sum of money (the insurance premium). The insurer comes to an agreement to pay the insured if loss occurs.

The insurance sector is a colossal one and is growing at a speedy rate of 15-20%. Together with banking services, insurance services add about 7% to the country's GDP. A well-developed and advanced insurance sector is a boon for economic development as it delivers long- term funds for infrastructure development at the same time reinforcing the risk taking ability of the country.

The results of liberalization have been momentous. Since 1999, IRDA has licensed 24 new private insurance companies, of which 21 have foreign equity participation. Major global players like AEGON, FORTIS, FUTURE GENERALI, Principal and DAI-ICHI have tied-up with Indian partners to set up insurance operations. Marketing health insurance is one of the most challenging jobs in insurance marketing. This is because of the everlasting conflict between the insurance companies which want to make a profit and the insured person who wants to get as much recompense as possible from the insurance company. Commissions for the health

companies are very low and they seldom make profits from health insurance.

List of Health Insurance Companies in India

Following are the medical insurance companies in India:

Apollo Munich Health Insurance Company limited 2. Star Health and Allied insurance Co Ltd 3. Future Generali India Insurance Company Ltd 4. Bajaj Allianz General Insurance Co Ltd 5. ICICI Lombard General Insurance Co Ltd 6. National Insurance Co Ltd 7. Iffco Tokio General Insurance Co Ltd 8. The New India Assurance Co Ltd 9. The Oriental Insurance CO Ltd 10. Reliance General Insurance Co Ltd 11. United India Insurance Co Ltd 12. Royal Sundaram Alliance Insurance Co Ltd 13. TATA AIG General Insurance Co Ltd 14. Cholamandalam MS General Insurance Co Ltd 15. HDFC ERGO General Insurance Co Ltd 16. Universal Sompo General Insurance Co Ltd 17. Bharti AXA General Insurance Co Ltd 18. SBI General Insurance Company Ltd 19. Raheja QBE General Insurance Co Ltd 20. MAX Bupa Health Insurance Company Ltd 21. L & T General Insurance Co Ltd 22. Religare Health Insurance Co Ltd 23. Magna HDI General Insurance Co Ltd 24. Liberty Videocon General Insurance

Standalone Health Insurance Companies

Private Sector:· Star Health and Allied Insurance company Ltd · Religare Health Insurance Company Ltd · Max Bupa Health Insurance· Apollo Munich Health Insurance · Cigna ttk general insurance company ltd

Definition customer satisfaction

Parker and Mathew (2001) expressed that there are two basic definitional approaches of the concept of customer satisfaction. The first approach defines satisfaction as a process and the second approach defines satisfaction as an outcome of a consumption experience. These two approaches are complementary, as oftenone depends on the other.

Customer satisfaction as a process is defined as *an evaluation between what was received and what was expected* (Oliver, 1977, 1981; Olson and Dover, 1979;

IMPORTANCE OF CUSTOMER SATISFACTION IN HEALTH INSURANCE INDUSTRY

· For meeting the ever-increasing demands made by the customers.

· Contributes in robust growth of the businesses which in turn contributes to the GDP (Gross Domestic Product) of the economy

· It increases competitiveness in businesses by generation of new products and services specifically targeted to meet and exceed the valuable customer's

satisfaction.

· Improvement in core capabilities

· For survival of businesses in a competitive environment

It improves quality and the quantity of the products and services being offered by the Insurance companies.

Review of literature :

Bhat and Jain (2006) highlighted the factor affecting the demand for health insurance in a micro insurance .The demand for health insurance has been analyzed at two levels. First the factor affecting the decision to purchase health insurance and second factors that determine the coverage of health insurance, Income, age, knowledge about insurance, perception regarding future healthcare expenditure and number of children in a family are the factors which were found to affect the purchase of health insurance scheme.

Siddharth Agarwal (2007) examined several health insurance schemes with regard to extending health insurance coverage to poor house hold and those working in informal sectors. He has compared various existing schemes on number of parameters like coverage provided, annual subscription fee, number of members etc. According to him community based health insurance is more useful but there is need for special approach for people below the poverty line.

Problem of the Study:

In the competitive world, there are many problems of marketing goods and services. Some problems can be solved easily, but many problems cannot be solved without a scientific approach. The research problem chosen for the study is to identify the level customer satisfaction and analyze the variables related to the buying motives, orientation of customers towards health insurance and to explore the service gaps between expected and perception of insured policy holders.

Scope of the Study

The customers prefer the insurance company and the insurance plans based on various factors like Cost, Premium,Tax Benefits, Approval process, Claim settlement, Customer service, Grievance handling, Critical illness coverage, Out-of pocket, Cashless service, Reimbursement, Pre-Existing Conditions Coverage, Risk, Services provided by the agents, Correctness of the information provided by insurance company, Individualised attention, Goodwill of the company, Facilities

available and Discount. The successful reach of health insurance is based on the service provided by the health insurance companies and the satisfaction level of the customers. The research problem chosen for the study is to identify the level customer satisfaction and analyze the variables related to the buying motives, orientation of customers towards health insurance and to explore the service gaps between expected and perception of insured policy holders.

Objectives of the Study

Based on the above research problem, the following objectives were set for the present study:

. To identify the influences of socio-demographic profile of the customer towards health insurance.

. To examine the buying motives that influences the customers to purchase Health insurance policy.

. To study the customers' expectation and perception towards services provided by the health insurance companies.

. To analyze the factors influencing customer satisfaction towards health insurance.

. To find out the deficiency faced by the customers in Health insurance service in Thane and Nanded.

Research Methodology

There should be certain path of action plan for every research as the outcome of the research depends upon the method used for the research. We have to adopt the right method into carried out. It is said that ''when the research is based on strong foundation of wisely collected data base, then it will definitely fetch the new heights''.

Therefore the procedure or steps adopted in carrying out the research will be as follows:

Primary Data

The primary data will be collected with the help of survey. Survey would be done in with the help pre-designed questionnaire would be used to collect the data from the respondents. Respondents would be 500 policy holders/customers of health insurance Thane District and Nanded District.

Secondary Data

The secondary data is an integral part of any research study as it provides basic information on key variables, which form the major part of data relating to research. The secondary data will be gathered from various sources like standard text books of related topics, journals, newspapers, websites and so on.

Research Design and Sampling Technique

The research is based on both empirical and analytical study on the basis of selected samples for the research and the sampling method used will be random Sampling. The study uses both primary and secondary data.

Sample Size

The sample size is 1000. The respondents will be customers of Health insurance in Thane district and Nanded district will be surveyed for carrying out the study.

Tools and Techniques

The various tools and techniques such as tables, percentage , ratios, simple average method, weighted average method, coefficient of correlation and other statistical tools and techniques used for analysis and interpretation of data will be used which is collected from the customers of Health insurance in Thane district and Nanded district.

Period of Study

The observations for the data will be during the period 2014-15 to 2018-19 with reference to customers of Health insurance in Thane district and Nanded district.

Hypothesis

The study aims at testing the following hypotheses set in line with the objectives mentioned above.

1. There is no association between the households' characteristics like sex, age, occupation, education level, family type and annual income and the relevancy of health insurance to various class people.
2. There is no association between the socio-economic variables and the health insurance policy held by households.

3. There is no significant relationship between the gender, age, marital status, occupation, education, dwelling unit, type of dwelling unit, family type and annual income category of households and the level of perception and satisfaction towards Health insurance policy.

Area of Study

The research is confined to of customers of Health insurance in Thane district and Nanded District. The period of study is limited to five years i.e. 2014-15 to 2018-19.

Thane district:

The area of Thane district 9558 square km and the total population as per the 2011 census was 1,10,54,131. As per the census of 2011 gender ratio was 880 females for every 1000 males. Thane district is positioned at north latitude 18.42 & 20.20 and east longitude 72.45 & 73.48. Thane ranks third among industrially developed districts. Thane –Belapur –Kalyan industrial belt Ambernath- Bhiwandi-Badlapur industrial belts are there in Thane.

Nanded District

The area of Nanded district 9558 square km and the total population as per the 2011 census was 3,361,292. As per the census of 2011 gender ratio was 943 females for every 1000 males. district is positioned at north latitude 18.15 & 19.55 and east longitude 77.07 & 78.15. Nanded is declared holy city by government because of Huzur Saheb Gurudwara, Godavri river, Dattatray Temple and Renuka Devi temple.

Limitations of the Study

Obviously there is constraint of time and money in conducting the research as an individual research scholar. However, care will be taken to obviate the limitations and to maintain the quality of the work.

Every research study suffers from errors and limitations. Some of them are incurrent to the

research design of the study, while some others are emanating from the difficulties face during the different stages of research. The following are the constraints and limitations of the present study.

a) The design of the research is descriptive and so the approach to the problem may be given at a higher narrative level than exercising an in-depth case study or experimentation.

b) The area of this study is limited to Thane district only. Hence, a finding of the study may not be generalized at state or national level.

Tentative Chapter Scheme

1) Introduction

2) Review of Literature

3) Research Design & Methodology.

4) Profile of Thane District and Nanded District.

5) Analysis & interpretation of Data

6) Findings, Conclusion & Suggestions.

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Research Student Research Guide